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1/ Association of Southeast Asia Nations.

Members: Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia
the Philippines, Singapore, Thailand and Vietnam.

Singaporeans' Changing Eating Habits

Hew Jenkins, General Manager for Singapore's Cold Storage supermarket chain recently made the following observations about Singapore's consumers in an interview: "People are more conscious of what products contain-you will see more people reading the list of contents on the labels." "Overall, purchasing patterns show that people are doing what they can to reduce fat and salt intake without changing their eating habits too drastically." Some examples include increased demand for leaner cuts of meat and skinless chicken, stronger fish sales, a shift from full cream milk to low-fat, high calcium and a bigger appetite for yoghurt, in particular the once-spurned natural yogurt and low-fat versions of flavored yogurts. Pasteurized fruit juices are favored over fizzy drinks while increased sales of cereals, in particular muesli, points to greater interest in a high-fiber diet. Cold Storage has responded to this shift in consumer preferences by sourcing for healthier products with less salt, less fat and more natural ingredients.

Source: Business Times, 23 Apr 1999.

Singapore's Changing Food Retail Structure

Singapore's supermarkets' share of each dollar spent in grocery outlets has risen from under 40 cents in 1987 to almost 60 cents in 1997, according to a report released by Singapore's Department of Statistics. The number of provision shops fell sharply from about 2,400 to about 1,500 over the ten-year period, while the number of supermarkets and mini-marts doubled. Provision shops generate sales of less than S\$5,300 per square meter in 1997 (US\$1=S\$1.7), compared to S\$9,000 per sq. m. for the average mini-mart and more than S\$11,000 per sq. m. for the average supermarket. In terms of profit margins, remaining provision shops held their own. In 1997, their profitability ratio, which expresses surpluses as a ratio of receipts, was 5.4 percent. It was 4.4 percent and 4.7 percent for mini-marts and supermarkets, respectively.

Source: Strait Times, 25 May 1999.

Singapore's Food Service Industry Shows Signs of Recovery

Singapore's catering trade posted a sales increase of 4.8 percent in March, after 13 months of year-on-year decline. The index measuring catering sales, covers restaurants, cafes, canteens, and fast food outlets. It is an indicator of the "eating out" business, but excludes hawker stands. In March, restaurants reversed into positive territory, expanding 0.3 percent. Fast Food outlets and other eating places (such as cafes and canteens) have been recovering since late last year. For March, sales of other eating places, which account for about half of the index, increased 6.1 percent, while fast food outlets expanded 9.8 percent.

Source: Business Times, 26 May 1999.

Selected Asia Food Service Retail Markets: Singaporeans Eat Out Most Frequently?

BIS Shrapnel Pty Limited of Australia (Fax: 61 2-9959-5795) has published, and has plans to publish, a number of food service market reports for Asian countries. In 1998, for Southeast Asia, market reports were published for Malaysia and Singapore. A report on Thailand is planned for 1999. According to BIS Shrapnel, Singaporeans spend the most per capita, compared to eight other markets surveyed:

	Total Food Service Retail Market	Per Head
	US\$ Billion	US\$
Singapore	4.5	1,500
Hong Kong	7.0	1,094
Australia	13.0	706
New Zealand	2.0	555
Taiwan	8.0	372
South Korea	14.0	322
Malaysia	4.5	212
Thailand	6.0	100

Source: BIS Shrapnel.

Delhaize of Belgium Foray into Asia Begins in Southeast Asia

The Belgium supermarket chain, Delhaize, according to Denis Koops, Executive Director (Asia) believes “. . . that Asia will be the future for all global retailers, with its huge number of inhabitants.” Delhaize has made business acquisitions in and entered joint ventures with supermarket chains in Indonesia, Singapore and Thailand. Delhaize sees global retailers as bringing needed expertise to the region to gain greater efficiency, especially in supply chain management, information technology and logistics.

Source: The Nation, 4 May 1999.

US Cinnabon Sees Growth Prospects in Southeast Asia

Cinnabon has 15 outlets outside of the US. It's first outlet in Asia will be opened in Thailand by September. Plans are for a total of 200 bakery shops in Asia within the next five years in Thailand, the Philippines, Singapore, Indonesia, Vietnam, Japan and Taiwan. Within Southeast Asia, 30 are planned for Thailand, 10 in Singapore and two in Vietnam.

Source: The Nation, 11 May 1999.

New Zealand Million Dollar Global Beef Campaign Kicks Off in Singapore

Meat New Zealand's Regional Manager announced May 24 that a four-day formal launch of a new global promotion would start in Singapore June 1, 1999. According to the regional Manager, "The campaign would encourage hotels and restaurants to ask for New Zealand beef, and present it to customers as such. Rather than simply trading on New Zealand's green imagery, Meat NZ planned to provide quality assurance for customers nervous about such issues as mad cow disease in Europe and food scares in North America."

Source: The Dominion, 25 May 1999.

Singapore Coffee Consumers Rank Ninth in the World

Singapore's per capita consumption of coffee was 5.31 kg. in 1997 according to an Euromonitor report prepared last July, just behind Germany (5.42 kg.), but ahead of the U.S. (4.18 kg.) This places Singapore at the top of Asia's coffee consumers. Singapore was the only Asian country ranking in the top 15 consuming nations.

Source: Retail Asia, May 1999.

Singapore Likely to Retain its Number One Container Port Status

The Port of Singapore Authority (PSA) has reported that last year, when it took the world's number port container port ranking from Hong Kong, one in two containers handled were empty as empty container traffic from Europe and North America were up due to a trade imbalance brought on by the economic crisis. This year, during the first quarter, there is a 10-12 percent improvement in the ratio. Hong Kong is not seen as likely to regain its number one ranking position in 1999. This is due to China's falling imports and the continuing diversion of containers to various ports on the southern coast of China.

Source: Strait Times, 12 May 1999.

Singapore's Re-Export Trends: Another Indicator the Crisis Has Bottomed Out?

According to first quarter re-export statistics, Singapore's re-exports to certain destinations within Southeast Asia are turning around. Re-exports to Thailand were up 3.9 percent over the same period a year earlier; re-exports to Malaysia were up 0.7 percent and re-exports to the Philippines were up 10.7 percent.

Source: ATO Singapore.

Animal Nutrition Company Establishes Asia-Pacific Regional Headquarters in Singapore

France's Rhone-Poulenc Animal Nutrition SA, a maker of feed additives, opened its regional center in Singapore in May. The center will contain the company's commercial, manufacturing, business and technical activities for the Asia-Pacific region. According to the president, "Animal production is expanding rapidly at an average rate of 10 percent in developing countries such as Indonesia and Malaysia. Therefore, it makes perfect business sense to be close to our primary markets in these countries.

Source: ATO Singapore.

EU-ASEAN Cooperation

The 13th ASEAN-EU Joint Cooperation Committee (JCC) Meeting was held in Bangkok on 24-27 May 1999. Back-to-back with this JCC Meeting, four ASEAN-EU Sub-Committees Meetings were also convened, namely Sub-Committee on Trade, Sub-Committee on Economic and Industrial Cooperation, Sub-Committee on Science and Technology, and Sub-Committee on Forests. Under the Work Programme, they agreed to strengthen cooperation through concrete actions in areas of mutual interests, especially market access, trade facilitation, standards, intellectual property, customs, trade in services, investment, energy, environment, development cooperation, regional integration, science and technology, education and training, cultural cooperation, promotion of mutual understanding, business cooperation, transport, tourism and narcotics. The Bangkok meetings follow on the heels of the signing of an EU-ASEAN Memorandum of Understanding (MOU) on Regional Economic Cooperation Programme on standards, quality and conformity assessment in January 1999. Under the MOU, the EU will provide a contribution of US\$ 6.12 million to co-finance the programme over a period of five years.

Source: ASEAN Secretariat.

END OF REPORT